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Applicants: Bruce Bradford Thomas and Lester Ware Preston, III

Title: Secondary Loss Expense Coverage

GAU: 3626

Trumbull, CT, 2004, June 2

Preliminary Amendment

Commissioner for Patents

PO Box 1450, Alexandria, VA 22313-1450

Dear Sir or Madame:

Please amend the above application as follows:

Specification:

Page 11, replace the three paragraphs of the section entitled DRAWINGS—FIGURES with the following three paragraphs:

-Fig 1 shows a Secondary Loss Expense Contract that bears a functional relationship between its premiums and the premiums paid for an insurance policy as well as a functional relationship between the losses that are recovered under the two contracts.

Fig 2 is a chart and a table that demonstrates the relationship between a 30% Proportional Secondary Loss Expense Contract and an insurance policy and shows the costs and benefits of this coverage.

Fig 3 is a flowchart that demonstrates how simple and cost effective it is to perform underwriting and loss adjustment functions when a Secondary Loss Expense Contract bears functional relationships to the premiums of the underlying insurance policy and the losses recovered under that policy.